



July 9, 2009

The Honorable Charles Terreni
Chief Clerk/Administrator
Public Service Commission of South Carolina
P. O. Drawer 11649
Columbia, South Carolina 29211

RE: Informational Filing to Highlight Tariff Language Revisions
SCPSC Docket No. 2009-001-E and 2009-191-E

Dear Mr. Terreni:

Public Service Commission of South Carolina Order No. 2009-435 issued in Docket No. 2009-191-E authorizes Progress Energy Carolinas (PEC) to recover demand side management and energy efficiency costs via an annual rider. Order No. 2009-436 issued in Docket No. 2009-0001-E approves a different billing fuel rate for the residential class than approved for the other rate classes due to an adjustment for the Residential Energy Conservation Discount Rider RECD. As a result, it is necessary to make several minor changes to tariff wording to ensure that the approved rates are uniformly applied. The allotted space in the E-tariff system does not easily support the detailed description necessary to explain each change; therefore, PEC is making this filing to explain the reason for these changes. The following wording changes are reflected in PEC's tariffs to be effective July 1, 2009:

1. The current paragraph describing the fuel adjustment in each schedule was expanded to also include a description of the DSM/EE rate. The revised paragraph also states that the DSM/EE rate is provisional and may be revised and trued-up upon further review by the Office of Regulatory Staff and Public Service Commission. The text of the revised paragraph reads as follows:

FUEL AND DSM/EE ADJUSTMENT

Fuel and related environmental costs as set forth in Rider No. 39Y and demand side management and energy efficiency costs as set forth in Rider DSM/EE-1 are included in the above charges and are subject to adjustment by order of the Public Service Commission of South Carolina. The rates applicable under Rider DSM/EE-1 are provisional and are therefore subject to true-up with interest upon further review by the Office of Regulatory Staff and the Public Service Commission of South Carolina.

2. The Large General Service (Experimental - Real Time Pricing) Schedule was revised to include a new DSM/EE Incremental Usage Charge. This was necessary to ensure that both the usage associated with the Customer Baseline Load and any usage billed at incremental RTP hourly rates are subject to the DSM/EE rate. If the customer is eligible and elects to opt-out of the DSM/EE rate, the opt-out credit would be calculated based upon actual usage. The text of the new subparagraph under the Monthly Rate paragraph reads as follows:

VI. DSM/EE Incremental Usage Adjustment

DSM/EE Incremental Charge = (Actual Consumption – CBL Consumption) X DSM/EE Adjustment

where:

Actual Consumption = kWh consumed during the billing month

CBL Consumption = kWh billed as the CBL during the billing month

DSM/EE Adjustment = DSM/EE rate adjustment during the current billing Month

3. Line Extension Plan E was revised to include two energy rates. The energy rate is used in adjusting a customer's expected annual revenue to remove fuel and variable operating and maintenance cost. The resulting revenue is then used in determining whether a contribution in aid of construction is necessary when electric service is extended to serve a new customer location. Because the approved fuel rate was 3.059¢/kWh for residential, after adjusting for Rider RECD, and 3.002¢/kWh for all other classes, two energy rates are now required in Plan E. The following table has been inserted in Plan E to describe the energy rate (includes both fuel and variable operating and maintenance cost) applicable to each rate class:

Rate Schedule	Energy Rate (¢/kWh)
Residential Schedules	3.729
All Other Schedules	3.704

4. Adjustment for Fuel and Variable Environmental Costs Rider No. 39 was revised to indicate that the energy rate applicable under Plan E as shown in the Residential rate class will be based upon the fuel rate applicable to the appropriate rate class plus the residential variable environmental rate. This approach was adopted to simplify the determination of the rate class energy rates stated in Plan E and minimize customer confusion. The following footnote was inserted following the table shown under the Customer Class Fuel Rates paragraph:

****The Revenue Credit stated in Line Extension Plan E reflects the Fuel Rate (F1) of the applicable customer class and the residential class Variable Environmental Rate (F2).**

The Honorable Charles Terreni

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No other wording changes were included in the revised tariffs. Please contact me if there are questions regarding these changes.

Very truly yours,

A handwritten signature in dark ink, reading "Len S. Anthony" followed by a stylized flourish or initial.

Len S. Anthony
General Counsel – Progress Energy Carolinas, Inc